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Security Council Committee established pursuant to resolution 1718 (2006)

Note verbale dated 9 June 2016 from the Permanent Mission of South Africa to the United Nations addressed to the Chair of the Committee

The Permanent Mission of the Republic of South Africa to the United Nations presents its compliments to the Chair of the Security Council Committee established pursuant to resolution 1718 (2006) and whose mandate also applies to measures imposed in resolution 2270 (2016) and has the honour to refer to its diplomatic note No. 296/2016 dated 8 June 2016.

In addition to the information provided in the aforementioned diplomatic note, further action has been undertaken by the Government of South Africa to implement the necessary measures to give effect to the provisions of resolution 2270 (2016), including:

- The South African Reserve Bank disseminated resolution 2270 (2016) for comment and implementation to affected departments such as the Financial Surveillance Department (FinSurv), which regulates cross-border foreign exchange transactions in terms of powers delegated to it by the Minister for Finance under the Exchange Control Regulations, 1961. Only duly appointed Authorized Dealers in foreign exchange and Authorized Dealers in foreign exchange with limited authority are permitted to buy, sell, lend or borrow foreign exchange instruments for permissible purposes, subject to specific terms, conditions and limits contained in the Exchange Control Rulings issued by the Department. Applications for foreign exchange that fall outside the scope of the Rulings must be referred to the Department for adjudication. The vast majority of foreign exchange transactions are conducted by Authorized Dealers in foreign exchange and Authorized Dealers in foreign exchange with limited authority without reference to the Department. Authorized Dealers in foreign exchange and Authorized Dealers in foreign exchange with limited authority are also required to adhere to other legislation, including but not limited to the Financial Intelligence Centre Act, 2001 (Act No. 38 of 2001) (FIC Act).

  The South African Reserve Bank, through its Bank Supervision Department and the Financial Surveillance Department, is mandated to supervise accountable institutions and enforce compliance with the Financial

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Intelligence Centre Act by those under its supervision, to ensure that the necessary controls are in place for combating money laundering and the financing of terrorism. This includes a periodic review of their sanctions screening systems and procedures.

Furthermore, in its electronic systems, the Financial Surveillance Department has flagged the names of the parties subject to sanctions, which means that any application for foreign exchange received by the Department and that involves parties subject to sanctions will be referred to designated staff for adjudication. This flagging does not include foreign exchange transactions conducted by Authorized Dealers in foreign exchange and Authorized Dealers in foreign exchange with limited authority that have not been referred to the Department.

Insofar as the South African Reserve Bank engages in cross-border SWIFT transactions itself, or on behalf of others, its Financial Markets Department makes use of the SWIFT Sanctions Screening tool to screen all outgoing transactions against the sanctions lists of the Office of Foreign Assets Control, the United Kingdom, the European Union and the United Nations, among others. All "hits" are evaluated by the South African Reserve Bank's Risk Management and Compliance Department to ensure adherence with applicable sanctions.

- The South African Civil Aviation Authority (SACAA) reported that South Africa, as a signatory State to the Chicago Convention, is an affiliate of the International Civil Aviation Organization (ICAO), a United Nations body tasked with the oversight of civil aviation activities of affiliate States. The Authority is an agency of the Department of Transport established as a stand-alone entity in accordance with the South African Civil Aviation Authority Act 1998 (Act No. 40 of 1998), now fully repealed by the Civil Aviation Act 2009 (Act No. 13 of 2009), to oversee the regulation of civil aviation safety and security in this country. To this end, the Authority conducts business on behalf of the State as dictated by its mandate.

Civil aviation activities are of a global nature and, as a result, the contents of resolution 2270 (2016) will have an impact on the following areas:

(a) The South African Civil Aviation Authority produces personnel licences for aviation personnel from various countries as needed;

(b) South African aviation security training organizations train students and aviation personnel from various countries as a result of the quality of training provided in the Republic of South Africa;

(c) South African Civil Aviation Authority operations allow for the type certification of aircraft from various countries;

(d) As a representative of the country, the Authority would also enter into memorandums of understanding and memorandums of agreement that flow from various bilateral agreements by the State or by Government departments, and as a consequence of such agreements, the Authority would conduct business with various countries;

(e) From time to time, members of the civil aviation industry would lease aircraft from other States for business or similar purposes;

(f) South Africa also issues foreign operator permits to airlines of foreign States operating into South Africa and pilot licence validations to foreign nationals who are operating South African registered aircraft;

(g) In compliance with ICAO Standards and Recommended Practices, the Authority, through its independent aircraft investigations arm, may be required from time to time to participate in aircraft accident investigations, either because a South African registered aircraft is involved or because South African citizens are affected in various countries around the world;

(h) When an opportunity arises, the Authority, through its independent unit, may bid on contracts for the provision of calibration of navigational aids at airports in various countries for a fee.

At the macro level, the sanctions as stated in resolution 2270 (2016) can have an impact on the South African Civil Aviation Authority through the Authority's association with its clientele/industry. To this end, the Authority notes the sanctions, together with the stated restrictions, and confirms that all efforts would be made to comply with the resolution, and that the Authority will further notify our industry as far as possible.

The Authority therefore undertakes to put the following measures in place to effect the sanctions outlined in the resolution:

(a) No aircraft from the DPRK will be entered into the South African Civil Aircraft Register;

(b) No personnel licences for any DPRK national will be issued, renewed or validated;

(c) The Authority will not participate in the processing of foreign operator permits from nationals of the DPRK;

(d) The Authority will not type certify any aircraft from DPRK;

(e) The Authority will issue notices to the civil aviation industry of the Republic of South Africa to raise awareness regarding the resolution;

(f) The Authority will notify its employees regarding the resolution.